

AN ACT

ENTITLED, An Act to revise certain provisions regarding the retention of insurance claim files.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 58-3-7.4 be amended to read as follows:

58-3-7.4. Each insurer's claim files for policies or certificates are subject to examination pursuant to chapter 58-3 by the director of insurance. To aid in the examination:

- (1) The insurer shall maintain claim data that is accessible and retrievable for examination.
An insurer shall be able to provide the claim number, line of coverage, date of loss, and date of payment of the claim, date of denial, or date closed without payment. This claim data shall be available for all open and closed files for five years;
- (2) Detailed documentation shall be contained in each claim file in order to permit reconstruction of the insurer's activities relative to each claim;
- (3) Each relevant document within the claim file shall be noted as to date received, date processed, or date mailed. Dated correspondence is sufficient to document the date mailed for the purposes of this subdivision;
- (4) For those insurers that do not maintain hard copy files, claim files shall be accessible from a computer, microfilm, Cathode Ray Tube (CRT), micrographics, or other similar electronic means and be capable of duplication to hard copy; and
- (5) Claim information obtained in a telephone conversation or personal interview with any source which is used in the claim determination shall be documented in the claim file.

An Act to revise certain provisions regarding the retention of insurance claim files.

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I certify that the attached Act
originated in the

SENATE as Bill No. 24

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 24

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor
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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State